



Low Interest Loans From Citizens National Bank

Full Mitigation Best Practice Story

Multiple Counties, West Virginia

Tucker and Randolph Counties, WV - Tucker and Randolph Counties stretch for more than 75 miles along the northern fringe of the Allegheny Mountains in eastern West Virginia. In 1990, they had a combined population of just over 35,000 in this predominantly rural area with most settlements restricted to narrow river valleys. Thus, the primary concern in this area is flooding. Since 1967, both counties have received Presidential disaster declarations as a consequence of flooding five times.



In 1996, several events resulted in a total of \$65 million in disaster aid to the communities. The president of Citizens National Bank, which has offices in Tucker and Randolph Counties, became familiar with the complexity of State, County and local regulations in the Hazard Mitigation Grant Program (HMGP) and was able to provide assistance to the ailing counties.

Realizing that an inordinate amount of time was necessary to coordinate all the home buyout activities, further placing the homeowners at risk, the bank took the initiative to offer low interest bridge loans to individuals participating in the acquisition project under HMGP. The loans enabled local residents to move out of the flood area before the HMGP- and State-funded acquisition projects could be completed. Additionally, Citizens National Bank set aside \$1 million in low interest loans for flood prevention and mitigation. The bank also teamed with the Elkins Builders Supply and the Randolph County Vocational Technical Center to provide building supplies and education on retrofitting flood prone structures.

As of February 1999, the low-interest loans, totaling \$248,296, enabled six homeowners to move out of harm's way while awaiting the final deed transaction from the State to the City. In neighborhoods that have been repeatedly damaged by floods, loan officers are going door-to-door to explain their loan program. As a part of their presentation, they discuss some retrofit techniques promoted by Elkins Builders Supply. The Randolph County Vocational Technical Center has incorporated these retrofit methods into the curriculum and developed 3-D models for display in the Elkins Builders Supply.

Standard Homeowner's insurance policies do not cover flood damage. The National Flood Insurance Program makes Federally backed flood insurance available to homeowners, renters, and business owners in participating communities.

Activity/Project Location

Geographical Area: **Multiple Counties in a State**

FEMA Region: **Region III**

State: **West Virginia**

County: **Randolph County; Tucker County**

Key Activity/Project Information

Sector: **Public**
Hazard Type: **Flooding**
Activity/Project Type: **Acquisition/Buyouts; Education/Outreach/Public Awareness; Relocation**
Structure Type: **Wood Frame**
Activity/Project Start Date: **10/1997**
Activity/Project End Date: **Ongoing**
Funding Source: **Hazard Mitigation Grant Program (HMGP); Private funds; State sources**
Funding Recipient: **Property Owner - Residential**
Funding Recipient Name: **Homeowners**

Activity/Project Economic Analysis

Cost: **\$1,000,000.00 (Estimated)**

Activity/Project Disaster Information

Mitigation Resulted From Federal
Disaster? **Unknown**
Value Tested By Disaster? **Unknown**
Repetitive Loss Property? **Unknown**

Reference URLs

Reference URL 1: <http://www.fema.gov/business/nfip/>
Reference URL 2: <http://www.floodsmart.gov>

Main Points

- The bank president is familiar with the complexity of State, County and local regulations in the Hazard Mitigation Grant Program (HMGP).
- Realizing that an inordinate amount of time was necessary to coordinate all the home buyout activities, further placing the homeowners at risk, the bank took the initiative to offer low interest bridge loans to individuals participating in the acquisition project under HMGP.
- As of February 1999, the low-interest loans, totaling \$248,296, enabled six homeowners to move out of harm's way while awaiting the final deed transaction from the State to the City.